

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF THE) CASE NO. 2011-00104
CITY OF MANCHESTER)

ORDER

On March 28, 2011, the Commission established this proceeding to investigate the reasonableness of the proposed adjustment of the wholesale water service rate of the city of Manchester (“Manchester”). We further established a procedural schedule in this matter and directed that Manchester file certain information with the Commission. Manchester subsequently sought and was granted an extension of time and modification of the procedural schedule. Under the terms of the modified procedural schedule, Manchester was to provide the information identified in the Commission’s Order of March 28, 2011 no later than May 16, 2011. As of this date, Manchester has not provided the information or sought an additional extension of time.

The information identified in the Commission’s Order of March 28, 2011 is essential to determining the reasonableness of the proposed wholesale rate. The Commission has provided Manchester more than adequate time to produce that information. Manchester has failed to produce the requested information. As Manchester has the burden of demonstrating the reasonableness of its proposed rate adjustment¹ and has failed to provide any evidence to meet that burden or to otherwise

¹ See *City of Franklin v. Simpson County Water Dist.*, Case No. 92-084 (Ky. PSC Jan. 18, 1996) at 6 (“KRS 278.200, by requiring the Commission to hold a hearing on any change in [the] contract rate, implies that such changes are not presumptively valid and reasonable, but that their reasonableness must be adequately demonstrated.”).

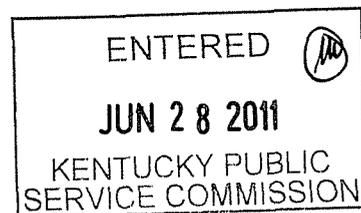
respond to Orders to produce information relevant to the investigation of Manchester's wholesale rate, the Commission finds sufficient cause exists to deny the proposed rate adjustment and close this proceeding.

Based upon the above, the Commission HEREBY ORDERS that:

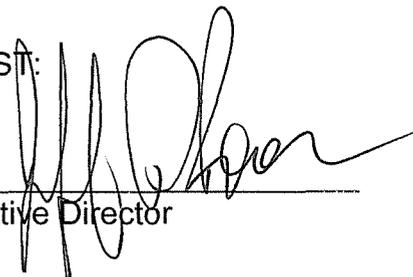
1. Manchester shall show cause in writing within 10 days of the date of this Order as to why its proposed wholesale rate should not be dismissed and this proceeding should not be closed.

2. Should Manchester fail to comply with this Order within the prescribed time limits, Manchester's proposed rate shall be denied and this proceeding shall be closed without further action of the Commission.

By the Commission



ATTEST:



Executive Director

Case No. 2011-00104

Wes Hacker
City Superintendent
City of Manchester
123 Town Square
Manchester, KY 40962

Jimmy Mathis
Vice President
North Manchester Water Association, Inc.
7362 N. Highway 421
Manchester, KY 40962